

<b>Committee:</b>  <b>OVERVIEW AND SCRUTINY</b>	<b>Date:</b>  <b>10 May 2011</b>	<b>Classification:</b>  <b>Unrestricted</b>	<b>Report No.</b>	<b>Agenda Item No.</b>  <b>5.1</b>
<b>Report of:</b> <b>Assistant Chief Executive</b>		<b>Title: Cabinet Decision Called-in: Disposal of 63a Sewardstone Road (The Stables)</b>		
<b>Originating Officer(s):</b> <b>Amanda Thompson Team Leader, Democratic Services</b>		<b>Wards: Bethnal Green North</b>		

## **1. SUMMARY**

- 1.1 The attached report of the Corporate Director, Development and Renewal, was considered by the Cabinet on 6 April 2011 and has been "Called In" by Councillors Stephanie Eaton, Marc Francis, Peter Golds, Ahmed Omer and Gloria Thienel for further consideration. This is in accordance with the provisions of Part Four of the Council's Constitution.

## **2. RECOMMENDATION**

- 2.1 That the Committee consider the contents of the attached report and the comments made by the members presenting the call-in, and review the Cabinet's provisional decisions arising and decide whether to accept them or refer the matter back to Cabinet with proposals.

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### **Local Government Act, 1972 Section 100D (As amended)**

#### **List of "Background Papers" used in the preparation of this report**

**Brief description of "background paper"**

**Cabinet report - 6 April 2011**

**Name and telephone number of holder  
and address where open to inspection**

**Amanda Thompson  
02073644651**

### **3. THE CABINET'S PROVISIONAL DECISION**

**3.1** The Cabinet after considering the attached report provisionally agreed:-

1. That the property known as 63a Sewardstone Road, The Stables be declared surplus to the Council's operational requirements;
2. That it be agreed to dispose of 63a Sewardstone Road, The Stables on the open market by auction, and that the resources generated from the open market sales be used for further affordable housing or regeneration schemes within the borough;
3. That officers be authorised to proceed with the disposal, and to delegate decisions on the details of the disposal to the Corporate Director of Development & Renewal in consultation with the Assistant Chief Executive (Legal Services);
4. That the Assistant Chief Executive (Legal Services) be authorised to enter into all necessary documents to implement the resolutions of the report (CAB104/101); and
5. That Grand Union Housing Cooperation be reimbursed the £13,500 they have spent on maintaining the property since 2001.

### **4. REASONS FOR THE 'CALL IN'**

**4.1** The Call-in requisition signed by the five Councillors listed above gives the following reasons for the Call-in:

1. ' To consider the best value of the disposal of the property for the Council.
2. To consider the proposal to the Council from GUC which provides nomination rights to a wheelchair accessible, 2-3 bedroom family house with private garden. This property is currently under-occupied and would be immediately available upon GUC accessing 63a Sewardstone Road to use as office accommodation. This offer provides that the sale of the property to GUC will provide mutual benefits to GUC and the Council and makes good business sense for both parties.
3. To recognise that any other options for GUC to resolve this matter with the council are likely to involve legal costs for both sides and a negotiated settlement is preferable.
4. To recognise that selling a long leasehold to GUC as proposed below is a considerable concession from GUC and indicates their willingness to negotiate with the council despite their disappointment that the original decision of 2001 has not been implemented.

5. To enable the Mayor and Lead Member to clarify with officers the circumstances of the delays and inaction in this case and to investigate the failure of the Council to implement a decision taken in 2001 (under previous administrations).
6. To obtain a complete account of the history of the decision to ascertain the appropriate level of remedy that is due to GUC.'

**5. ALTERNATIVE COURSE OF ACTION PROPOSED:**

- 5.1** The Councillors submitting the Call-in requisition have proposed the following alternative course of action:

To sell a long leasehold interest in the property at 63a Sewardstone Road to Grand Union Cooperative based on market value at current designation taking into account their reasonable costs for maintenance and expenditure on the property, with nomination rights to the social tenancy of a 2/3 bedroom property

**6. CONSIDERATION OF THE "CALL IN"**

- 6.1** The following procedure is to be followed for consideration of the "Call In":

- (a) Presentation of the "Call In" by one of the "Call In" Members followed by questions.
- (b) Response from the Lead Member/officers followed by questions.
- (c) General debate followed by decision.

**N.B. – In accordance with the Overview and Scrutiny Committee Protocols and Guidance adopted by the Committee at its meeting on 5 June, 2007, any Member(s) who presents the "Call In" is not eligible to participate in the general debate.**

- 6.2** It is open to the Committee to either resolve to take no action which would have the effect of endorsing the original Cabinet decisions, or the Committee could refer the matter back to the Cabinet for further consideration setting out the nature of its concerns and possibly recommending an alternative course of action.